Previous references.

G. 7. 131 of 04-8 SS 34-40 B June.

1904-5

(C/L Finance

File No. 131

Serial Nos. 35-41

Later references.

G. 7. 23 of 06 SS 13-17, 18-21

(B. Aug 07)

P 189

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B. for June

SUBJECT.

Mr. Wagh's claim against the Mysore Spinning & Manufacturing Co

FILE No. 131 of 1904-05.

Mr. S. S. Wagh's account with the Mysore Spinning and Manufacturing Company.

35 From the Comptroller, Note dated the 28th April 1905.
Forwards letter dated the 19th April 1905 from the Agents to the Mysore Spinning and Manufacturing Company regarding the claim of Mr. Wagh to the stores mortgaged to him.

41 To the Comptroller and the Agents of the Company, No. Fl. 8260-1, dated 6th June 1905.
Observes that under agreement dated 15th October 1904 between the Government and the Company about the working of the Mill, the Government agreed to advance to the Company such sum as might be required to procure restoration of certain stores of the Company in the custody of Mr. S. S. Wagh as security for money advanced by him to the Company under an agreement dated 16th February 1898; that according to the letter from the Agents of the Company, dated 19th April 1905, to the Comptroller, the total amount of Mr. Wagh's claim up to 30th April 1905, as passed by the Directors of the Company, is Rs. 8,826-10-8; that the admissibility of some of the items in the claim is open to question, but that the Government are reluctant to oppose the unanimous decision of the Directors, that the stores valued at over Rs. 20,000, when released, will be at

G. R. S. 11] 1906-5

GENERAL AND REVENUE SECRETARIAT

(Gen. Fin.)

NOTES.

File. No 131-04

FILE HEADING.

The Mysore Spinning & Manufacturing Company, Limited

From

The Comptroller.

No. Note Dated 28 4 05 Received 28. 4 05

Diary No. 4476 | Enclos. 4 | Spare Copies. | Serial No. 35.

BRIEF ABSTRACT OF LETTER.

Thinks that in the matter of the claim of Mr. Wash, it is best for Govt. not to advance any further funds but to leave it to the agents to purchase from Mr. Wash at book value all the stores they require for the mill till the debt due to Mr. Wash is discharged and States that this course will avoid a separate advance by Govt. & will make the agents to come to a Satisfactory Compromise with Mr. Wash.

NOTES AND ORDERS.

Submitted for orders to secy

K.S 29/4/05.

1-5-05

Submitted to the Dewan Saheb for orders. I humbly think that the course suggested by the Comptroller is good ~~but the agents may want money for their purchase~~ but the agents may want money for their purchase

2.5.1905

1.5.05

Notes—First sheet.

MGCPB—30,000—17-2-05.

G.R.S. 12j

General and Revenue Secretariat.

D 4476 2-

Gen: Fin File No. 131 of 1904-5

Serial No.

Sl No 35

Secretary

With reference to Govt letter bmo No Gl. FC. 6232 Gl File 131-04 of the 22d March 1905 I beg to submit letter of the 19th April 1905 from the Agents Mysore Shipping & Manufacturing Co and Enclosures regarding the claim for the Stores mortgaged with Mr Wagh.

2. I understood from conversation with the agents on the last occasion that a Compromise might be come to with Mr Wagh and the full amount of the claim on account of Share of Commission or the amount of interest at the rate of 6½ % throughout would not have been paid

3 The case was Eminently one for a Compromise because it is absurd that on an amount due on account of principal and interest on the last day of February 1904, of less than Rs 3.000, Mr Wagh should be allowed to charged Rs in addition to 6½ % interest Rs 95 as account travelling

11 annl 28/4/05

Z.

Y

NOTE—Contn. sheet.

MGCPB—10,000—31-8-04.

G.R.S. 12j
General and Revenue Secretariat.

File No. 131 of 1904-05

Serial No.

Expenses etc and also clerks allowance. Rs 95 a month is Rs1140 a year which on Rs 3.000 is ~~more than~~ 38 per cent so that in ~~addition~~ admitting the full claim we really pay from Febrary 1904 interest at 44½ per cent.

4. The is not all. Mr Wagh has now put in a claim of Rs 2194-8-6 on account of stores of Commission and this claim has been passed ~~for~~ in full by the Directors on the ground as stated by Mr Vithal that Mr Wagh could have sold the stores along with the other property pledged to him and appropriated the surplus after satisfaction of this loan account in payment of the Commission due to him, but that he had abstained from exercising that power at the written request of both the former & present agents not to sell the stores as they would be required for use on the re-starting of the Mill

5 The claim now passed thus amounts to Rs 8826-10-8 against Rs 5390 4-8 recommended ten months before. The claim goes up to 30th April

MGCPB—10,000—31-8-04.

Serial No.

and I have no doubt that further in-
addtions at 6½ % ~~per~~ plus Rs 95
a month shall be made up to such
date in July or June when the actu
payment may be made
6. Para 3 of the agreement of 15th octo
1904 between the Govt and the Com-
pany runs as follows
"The Government further agree to
advance to the Company any sum
which maybe required to pay to the
said Sadashiv Sanker Wagh the
debt if any which may be found
due to him with interest up to the
date of payment only under his
agreement with the Company and on
such payment the Company shall pro-
cure restoration of the moveable pro-
perty of the Company claimed by the
said Sadashiv Shanker Wagh as
a security for the money advanced
by him under the said agreement
of 16th February 1898, and the Company
shall, if necessary, procure Cancellation
of the aforesaid agreement"
7. In the last clause of the pream-
ble to the above agreement it

Serial No.

stated that the said Sadashiv Sankar Wagh had in his hands the Company's funds & stock of the value of abut Rs 20000 over which he claimed a charge under his said agreement for the amount which he alleged to be due to him, namely Rs 9576-15- But the Company contended that the whole of his debt had been fully satisfied by the amount already realised by or for him from the sale of the Company's funds

8. Under the above circumstances, I considered it my duty before submitting the claim to Govt to examine it with reference to the agreement of 16th February 1898 as far as possible and also to ascertain what the present value of the stores in the Wagh's custody amounted to. I therefore telegraphed to Bombay on the 22nd April (the day on which I received the claim) to send me a copy of the agreement, and I also asked the agents in Bangalore to send me a report by the European Manager regarding the condition & value of the stores at.

MGCPB—10,000—31-8-04.

Serial No.

present in the Wagh's custody. The letter
~~No~~ No 6115 of 24.4.05 is
submitted herewith for perusal.

W. 9. I got the copy of the agreement
of 16th July 1898 on the 26th april
but as there was a delay in the re-
ceipt of the reply by letter to the Mill
I went ~~personally~~ to the Mill on the
29th & see personally how matters
stood. I found that there was no
such thing as a definite amount of
stores in Wagh's custody. All the
stores were in the store room the Key
of which was given up to the agents,
and the present agents freely used
Wagh's stores required for the Mill and
they in their turn kept all new
stores purchased with Govt money
in the store room. I pointed out that
under the provision of clause 6 of the
agreement with Wagh all stock
placed in the godowns was liable
to be treated as comprised in the
security and stores purchased with
Govt money on which Govt had the
first lien stood on no account
have been mixed up with Wagh's

MGCPB—10,000—31-8-04.

Serial No.

Stores. The book value of the stores (including ~~Govt~~ new stores purchased with Govt money) on 28th February 1905 was less than Rs 18.000 and it was difficult if not impossible readily to find out how much on account of the old stores was still in Wagh's custody.

10. So much as regards the stores. As regards the agreement with Wagh, I find that the former agents Chrystal & Co were bound to find funds for working the Mill according they surrendered to Wagh about half the commission which might be due to them as working agents, in return for a fixed deposit of a lakh of rupees on which interest ~~was~~ was payable at 7 per cent in the first five years and 6½ per cent in the second five years ~~the~~ +10 on The amount of the capital was also payable in 25 years except at the option of the Company who stereased after 10 or 15 years.

11. The above were the main conditions of the agreement Then comes the collateral security of Stores and floating stock. It is laid down that in the

MGCPB—10,000—31-8-04.

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Event of Chrystale & Co ceasing & the the agents or the Company ceasing & the So involved as not to be able to pay its creditors Wash would be entitled to claim repayment on medalty and would be entitled to realise the money & sale of the stores - the value of the stores to be kept with him being fixed at Rs 1.25 000 It will be noticed that in none of the conditions regarding the ~~deposit~~ security of stores any thing is mentioned about they being treated as security for the Commission due to Wash but the stores are held simply as security for the loan and interest

12 I have not been able to find out how the amount of Commission claim is worked out. All I understand is that the amount claimed is the share of the amount due to Chrystale & Co when they went out But Chrystale & Co went out when the Company was practically bankrupt - all the Machinery &c were not mortgaged to Govt and the floating stock was with Wash as security for the

MGCPB—10,000—31-8-04.

Serial No.

How then could Wagh realise the money if the claim for Commission was admitted? The patent reply is there was no asset from which Wagh could get the Commission

13. The present argument of Wagh which is endorsed by Mr Vithall & for the matter of that by all his friends the directors & agents comes to this He would first sell the stores for what they would fetch, would recover the sale proceeds and the surplus he would treat as asset of the Company and attach this asset in payment of the Commission To do this he must bring a suit against the Company, and then as regards the letters of the agents produced at the Meeting of the Directors - I do not think they can bind the Company in this matter.

14. In any case admitting that the letters of these agents to Wagh, would go against the Company, and these agreements of Habbi bodies constituted themselves into a Mutual Assistance Society, to rob

MGCPB—10,000—31-8-04.

Serial No.

Simple and liberal minded Govt of Mysore, I do not doubt whether Wagh can realise his commission by attaching the sale proceeds of the stores.

15 I am no lawyer but [redacted] it appears to me that if the stores of the agreement are not liable for the commission the surplus sale proceeds can not be appropriated for the payment because of the agreement of 15th October 1904, all the floating stock of the Company including the surplus sale proceeds of the stores, are held as a security against Govt advance, and Wagh can not attach them by a decree of a Court of law passed after the 15th October 1904.

16. It is therefore my respectful opinion that the claim for the commission is inadmissible.

17. In addition to the loan and interest there are two other items of charge namely the monthly allowance of Rs 65 and the clerk's allowance of Rs 30 a month. The allowance of Rs 65

MGCPB—10,000—31-8-04.

Serial No.

is provided for in clause 14 of the agreement but I see nothing about the payment to the clerk. On enquiry I am told that this was a subsequent arrangement but the nature of the arrangement cannot be ascertained here. These commutation allowances are not payable out of the sale proceeds of Shares and of the Company were to be wound up. I think they would have no asset to attach as in the case of the Commission.

18 Lastly I beg to bring to notice that in making up the former account of Rs 5390-4-8, interest on interest was calculated for 2 years (Rs 257-14-9) and interest was also calculated for 4 months only on the outstanding monthly allowance of Rs 780 but no interest was calculated on the Clerk's pay for 32 months. In presenting the revised claim they have calculated interest on the whole amount said to have been due on 30th June 1904.

19 It will be seen from the agreement that there is no provision for compound interest on the loans as

MGCPB—10,000—31-8-04.

Serial No.

is there any agreement for payment of interest on the monthly allowance. Not only is there no provision for interest on the clerk's allowance but the pay itself is not mentioned as I have already stated

20. I have gone into the above details to show that practically the agents or the Directors have passed what Mr Wagh thought fit to claim and there has been no attempt to come to a compromise with reference to the difficulties in realising the money if Mr Wagh had to resort to a Court of Law. It seems to me to be useless to refer back the case to the Directors for the result will be there will be a little more delay and we shall have to pay the Directors fees.

21 Under the terms of the agreement I have quoted above Govt has agreed to advance the money In advancing the money Govt practically helps the agents by increasing the working capital. For Govt itself will not have any use of the shares except to make it over to the agents who want them

Serial No.

be saved the expense of purchasing stores to the value of Rs 20.000 or there abouts. In these circumstances, I think it would be best for Govt not to advance any further funds but to leave it to the agents to purchase from the Wagha at book value all the stores they require for the mill till the debt due to Mr Wagha is discharged. This course will avoid a separate advance by Govt and will make the agents a little interested in coming to a satisfactory compromise.

22. I have not gone into the question whether Govt is bound to make a separate advance under the terms of the agreement but as a separate advance is to all intents and purposes an increase to the advance made to the agents I am ~~not~~ reluctant to make it unless some steps are taken to bring the stores & stock and the working of the Mill more directly under Govt supervision. I had hoped that by raising difficulties about further advances, the agents might be made to consent to some

MGCPB—10,000—31-8-04.

G.R.S. 12]
General and Revenue Secretariat.

File No. 131 of 1904-05

Serial No.

terms of the agreement of 15th which but they have got us in their ~~the~~ clutches and are as obdurate as ever

23 Since the above note was written I have received the agents reply to my letter of the 24th, which as I expected is quite indefinite, and does not meet the questions I asked

V

W 24. I submit copy of the agreement with Mr Wagh for perusal & return

6334/2.5.05

W. Bason
28. 4. 05

I do not quite know that Mr Bason understands ~~exceeds~~ the real purport and effect of the agreement of the Compy with Govt. I have read it carefully more than once & it is my opinion as well as those of the Comptroller that under it the Comptroller is the sole controlling Manager and that the Agents are bound to carry out his orders. I mention this that Mr Bason may know that he has every power to deal with the Agents and make them do as he may

MGCPB—10,000—31-8-04.

Serial No.

Starting there with the assumption of the power in himself there ought to be no difficulty to find out any information as accurately as he wishes. It must thus be possible to remove all the independence in the workings of the Agents or of the Manager by subjecting them to personal examination. If the Agents have been using the articles of the store how can it be said that they are in the possession of the Vaqf. His claim has been admitted by the Settlers. In the presence of this fact I hesitate to object to accept the claim at the same time I suggested cannot ignore the objectionable features mentioned by the Comptroller of additional interest and increasing the amount of the Settlers in Bangalore a conference with him should bring about a proper settlement of their matters & I hope that the Secretary and the Comptroller will proceed to take

I personally examined the subject and the result is stated in para. 9 of my note dated

MGCPB—10,000—31-8-04.

Serial No.

action on these lines Similarly the Manager may be sent for and every doubt as to the stores may be cleared I admit that Govt have been misled by liberal motives in this matter but I cannot so readily agree with the Comptroller in his views that the Agents have got the Simple minded Govt in their clutches These observations seem to emanate from the want of a clear understanding of the situation As the Govt have ~~readily~~ agreed to pay off the claim of Mr Wagh the money due to him must be paid off and added to the advances already paid to the Agents. With the help of Mr Setlur if he is in Bangalore Mr Wagh's claim may be once more examined and the amount settled. Sorry if there is any bitterness about it the defects in the calculation and the objections to the payment must be brought to the notice of

MGCPB—10,000—31-8-04.

G.R.S. 12]
General and Revenue Secretariat.

File No. 131 of 1904-05

Serial No.

the Directors in Bombay and further consideration asked otherwise as I have already said the money due will be paid off as otherwise interest unnecessarily grows to the disadvantage of the Company I shall be glad to know in detail the action taken in this matter I should

a copy of the Agency Contract between Sirur & Company and the Mill Company should be obtained & kept in the file (Illegible)

5.5.05

6404

Received on 8.5.1905. Shewed it to the Comptroller. My Letter has not come said to arrive in 5 or 6 days. So await his arrival

8.5.1905

Obtained & put up

A copy of the agreement dated 29.04.05 between the Sirur & the Company is also be kept placed in the file.

11/5/05

Note—Contn. sheet.

MGCPB—10,000—31-8 04.

G.R.S. 12]

General and Revenue Secretariat.

File No. 131 of 1904/1905

Serial No.

In accordance with Dewan Sahib's orders dated the 5th May 1905 a Conference was held on the 22nd May 1905 in which myself the Settlm and the Comptroller were present

The amount of Rs 8826-10-8 now claimed consists of —

(1) Unpaid balance of the original loan of one lakh with interest due on 29.2.04 — 213)-2-)

(2) Monthly allowance to Mr Wagh at Rs 65 a month 2.600-—

(3) Clerk's allowance at Rs 30 a month including Rs 48-6 paid to Jongdar 1.308-6-—

(4) Interest on the above up to 30th april 1905 586-5-)

(5) Share of agency Commission 2.194-8-6

8826-10-8

Under clause 4 of the Agreement with Mr Wagh the stores are held as security only for the repayment of the loan and interest only

NOTE—Contn. sheet.

MGCPB—20,000—1-11-04.

G.R.S. 12]
General and Revenue Secretariat.

File No. 131 of 1904/1905

Serial No.

Although in the agreement with Government of the 15th October 1904, the value of stores in Mr Wagh's custody is said to have been about Rs 20.000, it has been the practice with the Mill agents to use the stores freely for the purpose of the Mill and new stores ~~bought~~ bought with Government money are also mixed up with the old stores in accordance with the provision of clause 6 of the agreement with Mr Wagh and the total value of stores held on the 13th May 1905 on all accounts amounted to Rs 17.085. A portion of the clerk's allowances has also been already disbursed by the agents out of the Government advances.

Taking all the circumstances of the case into consideration, We have come to the conclusion that Government may advance the amount due on account of the loan and interest up to date of payment and that the agents might be asked to pay the remainder out of their

MGCPB—20,000—1-11-04.

G.R.S. 12]
General and Revenue Secretariat.

File No. 131 of 1904-1905

Serial No.

Working Capital

Note

25.5.1905

V 27-5-05

Submitted for orders. A copy of the agreement between Govt. & the Company is put up as per orders of the Dewan Sahib as well as the 27/5/05 agreement between the Company & Govt.

Submitted to the Dewan Sahib

29-5-05

29.5.1905

V 29.5.05

6824/29.5.05

Order accordingly - which please issue early.

686 30.V.05

Draft accepted

1/6/1905

Submitted with a draft

V 1.6.05

K.S 1/6/05.

2-6-05

5.6.05

The draft, which has been approved by the Comptroller, is passed

6.6.1905

V 6.6.05

B. S. Rao

Serial No. 41

To the Comptroller & the Agents of the Company No H 8260-1 dated the 6th June 1905 Observes that under agreement dated 15.10.04 between the Govt & the Company about the working of the mill the Govt agreed to advance to the Company such sum as might be required to procure restoration of certain stores of the Company in the Custody of Mr S S Wagh as security for money advanced by Mr Wagh to the Company under an agreement of 16.2.98, that according to the letter from the agents of the Company of 19.4.05 to the Comptroller the total amount of Mr Wagh's claim up to 30.4.05 as passed by the Directors of the Company is Rs 8826-10-8, that the admissibility of some of the items in the claim are open to question but that the Govt are reluctant to oppose the unanimous decision of the Directors, that the stores valued at over Rs 20,000/- when released will be at the disposal of the agents of the Co to be used for working the mill & their value will be a substantial addition to the working Capital of the Co which has already been advanced by Govt without taking into account the value of these stores

MGCPB—50,000—17-2-05

G.R.S. 12]
General and Revenue Secretariat.

Gl Fin File No. 131 of 1904

Serial No.

& that the Govt Consider that it will suffecently meet the requirements of the case if they make a special advance for the Amount due on account of the loan & interest only up to date of payment & that the further claims for monthly allowance clerk's allowance & agency Commission may be met out of the advance for working Capital already authorised by Govt & directs that the Co: should arrange as soon as possible through their agents to get back the stores from Mr Wash on payment and if necessary to procure Cancellation of the agreement of 16·2·98, that the date fixed for the payment and the restoration of the stores & the Amount required for payment on such date should be reported to the Comptroller who will advance the necessary funds on the receipt of the agents & will treat the Amount thus paid as a special advance by Govt in addition to the authorised advance for working Capital and requests the Comptroller to submit a further report when the transaction with Mr Wash is finally closed

NOTE—Contn. sheet

MGCPB—50,000—17-2-05

HEAD OFFICE
BOMBAY.
N. SIRUR & Co.,
AGENTS.
APR 28. 1905
MYSORE

The Mysore Spinning & Manufacturing Company, Limited.

Bangalore, 27th April 1905

To,

The Comptroller. to
The Government of Mysore,
Bangalore.

Sir

In reply to your letter No 6116 of the 24th inst. regarding Stores our Bangalore reports as follows

(1.) The Stores are all in good condition & are suitable to our requirements.

(2.) The actual Stock of Stores was taken on the 28th February 05, and the value to us totals Rs 17.797-9-8 being actual cost price.

I have the honour to be,
Sir
Your most obedient servant

N. Arbuthnot
Manager

Soobraolpoval
Secretary

X 37

Kel 40

190

From

To Messrs Simon & Co.
Agents Mysore Spinning & Manufacturing Co.

Dated

Despatched 24 Bangalore

Received

General No. 6115

No.

Enclosure No.

Issue this memo Mg. 24.4.05

Sir,

With reference to your letter of Dandy the 19th April 1905 regarding the Settlement of claims on account of Mr S.S. Wagh's stores Dept I to request that you will have all the stores inspected by your European Manager and ask him kindly to let me have his Report thereon on the following points

(1) ~~What~~ In what condition are all the stores at present

and whether they will be
of immediate use for the
working of the Mill.

(2) What is the approximate
market value of the stones
in their present state and
what price can the Mill pairs
pay for them if they are
purchased for its use.

I shall be obliged for
a very early report

Yours truly
W.B.
24.4.05

APR 22. 1905
MYSORE

THE MYSORE SPINNING & MANUFACTURING COY. LD.

Bank Street, Fort,-

Bombay 19th. April 1905.

To

The Comptroller,

to the Government of H.H. the Maharaja of Mysore,

B A N G A L O R E .

Sir,

We have the honor to submit herewith the following papers bearing on Mr. S. S. Wagh's account with the Mysore Spinning & Manufacturing Company Ltd. for favour of necessary action.

1. Chairman's minute dated 12th. April 1905.
2. Mr. S. S. Setlur's minute dated 13th. April 1905.
3. Copy of Agents' letter to the Comptroller dated 20th. Dec. 1904
4. Do. Statement of Mr. Wagh's account with the Mysore Spg. & Mfg. Coy. Ltd., made up to 30th. June 1904.
5. Comptroller's reply dated 22nd. February 1905.
6. Copy of Agents' letter to the Comptroller dated 23rd. Feb. 1905.
7. Comptroller's reply dated 27th. March 1905.

The total amount, that becomes due to Mr. Wagh on the 30th. April 1905 in terms of the minutes attached hereto, is Rs. 8,826.10. 2. made up as follows :- less the amount paid on Mr Wagh's A/c from 1st March 04 to 30th namely Rs 312-1-7 and any subsequent small payments upto the final liquidation of the debt.

Balance due on 30th. June 1904 as per statement attached	Rs. 5,390. 4. 8.
Interest on the above for 10 months from 30th. June 1904 to 30th. April 1905 @ 6½ % per annum	291.15. 6.
Carried over	Rs. 5,682. 2. 2.

Brought over Rs.		5,682. 0. 0.
Mr. Vagh's allowance for the above 10 months. at Rs 65 per Mensem		650. 0. 0.
His clerk's wages for the same period at Rs.30/- per mensem.		300. 0. 0.
Amount due to Mr. Vagh on account of his share in the Agency commission for the year ended 28th. February 1902.		2,194. 8. 6.
	Rupees.	8,826.10. 8.

As the enclosures are the original documents of this office it is requested that they may be returned soon after they have been done with.

We have the honor to be,

Sir,

Your most obedient servants,

K. Sirur & Co

A G E N T S.

With reference to the letter of the Comptroller of accounts to the Agents dated the 27th of March 1905 requesting that Mr Wright's claim may be settled once for all I find the matter stands as follows.

At a meeting of the Board held on 13th June 1904, Mr. Wright's account of the moneys advanced by him to the Company was settled in the manner mentioned in the resolution herewith annexed, and Rs. 5390-4-8 was found due to him. ~~up to the 30th June 1904~~ The account was made up for the period ending with 30th June 1904

Mr. Wright accepted this settlement as far as it went, but ~~and~~ stated that before he parted with the property he held as security he should not only be paid the amount aforesaid but also the sum of Rs. 2194-8-6 which was due to him on account of his share in the late Agents' commission and which he had a right to recover from the Company independently of the

the Agents Messrs P Chrystal & Co

As the Directors were doubtful whether Mr Nagh could detain the stores on account of the amount due to him for his share in the commission it was agreed to refer the point for counsel's opinion on the terms mentioned in the resolution above referred to

Before the matter could be submitted to counsel a letter was received from Mr Nagh ~~&~~ showing that he could have sold the stores along with the other moveable property pledged to him and appropriated the surplus that remained after satisfaction of his loan account ~~to~~ on payment of the commission due to him, but that he had abstained from exercising that power at the written request of both the former & the present agents not to sell the stores, as they would be required for use on the re-starting of the mill This letter was placed before the Board on the 8th July 1904 and the Directors present were of opinion that

disclosed therein that under the circumstances it was unnecessary to incur the expense of obtaining counsels opinion but as Sir Lethbridge was not present the matter was not finally disposed of.

The next meeting of the Board was held on the 19th August ~~1904~~ 1904 when Sir Lethbridge was present. But as he was not familiar with the history of Sir Raphs relations with the Company it was resolved at his suggestion to circulate the ~~papers~~ papers on the subject to the Directors in order to enable Sir Lethbridge to ~~study~~ examine the question at leisure and form his opinion

After the papers were received back from Sir Lethbridge Sir Lethbridge ~~of~~ the Agents Firm proceeded to Bangalore ~~where~~ where he personally delivered the papers to the Comptroller of accounts

The signing of the agreement between the Company & the Government took place in October 1904, and an account current was opened ~~with~~ between the Government

Government and the Company
on the 23rd of November 1904

On the 20th of December ~~1905~~
1904 the Agents addressed a
letter to the Comptroller forwarding
to him a copy of the Board's Reso-
lution of the 13th June 1904 and
requesting that the restoration of
the property in Her Majesty's possession
may be procured

Thereupon, it appears that,
on the 30th of January 1905,
Mr. Sethia called for the papers
relating to Her Majesty's account
They were sent to him by the ~~Comptroller~~
Agents the next day. ~~Nothing~~
Why Mr. Sethia called for them
I do not know. Probably he
was asked by the Comptroller
to examine the matter independently.

Next
~~Nothing happened~~, the Agents received
a letter dated 22nd February
1905 from the Comptroller. This
was replied to by the Agents the
next day. These letters are an-
nexed.

And now after the lapse of
nearly ten months comes the
letter dated 27th March 1905
requesting that Her Majesty's
claim

claim may be settled once for all

I do not think that any thing more remains to be done but to pay over the amount that may be found due to him up to date on the lines of the settlement dated 13th June 1904 plus the amount due to him on account of his share in the commission and redeem the property which is in his charge.

The delay of nearly ten months is due to increase the amount found due on the 30th of June 1904 by about Rs 1241

This delay perhaps was unavoidable under the circumstances under which the Mill has to work

S V Modak

12/4/05

Messrs Rodrigues & Khote the other Directors have initialled on the Circular Book without comments

N. H.P.O

With reference to the note recorded by the Chairman I agree with him in the recommendation he makes as regards Mr. Wagh's claim. The amount may be forthwith paid and the stores recovered. It is extremely to be regretted that as much as Rs 1200 should have become due owing to the delay in settling this matter. I agree with the Chairman that such delay is unavoidable under the present system of doing business. Postponement of the meeting on the 19th August 1904 and the consequent delay for one of one or two months, could certainly have been avoided if the agents had followed my advice so frequently repeated since, that before the date of the directors' meeting, they should always circulate among the directors a list of business to be transacted at the meeting as also papers connected with the important questions that might have to be disposed of at the meeting, so that those of the directors who wish to know what they are voting for may come prepared to the meeting.

April. 13. 05 J. D. Rothwell

I think it would be desirable to send to the comptroller at Bangalore this file, as it is, so that he may judge for his own opinion for himself.

J. D. R.

B A N K S T R E T

Bombay, 20th December, 1904.

To

The Comptroller,

To The Government of H.H.The Maharaja of Mysore,
Bangalore.

Sir,

We have the honour to send you herewith the resolution of the Board of Directors passed at their Meeting of the 13th June 1904 in connection with Mr. S.S.Wagh'saccount with the Company together with a statement of his account made in terms of that resolution, and trust the same will meet with your approval. The agreement with Government provides for the restoration of the moveable property of the Company in Mr.Wagh's possession, which, we may mention was valued at about Rs.21,000in the last Balance sheet on payment of the debt which may be held due to him. We think it extremely desirable that this should be done without any unnecessary delay.

We have the honour to be

Sir,

Your humble servants,

A G E N T S.

(COPY)

Copy of the resolution passed by the Board of Directors in the meeting held on Monday the 13th June 1904.

The Board having discussed with Mr.Sadashiv S.Wagh the question arising out of his account with the Company resolved in supercession of the Resolutions passed on the 28th May 1904 that:-Firstly that with regard to the item of interest Mr.Wagh be allowed interest for six months on the pro-notes outstanding in his favour and from the respective dates of their issue and from the 1st of July 1902 the account be treated as a current account interest being allowed on both sides, secondly that under the heading of realisation expenses Mr.Sadashiv's claim for clerk's pay at Rs.30 per month be only allowed. Thirdly that Mr.Wagh is entitled to receive from the Company the amounts paid by him to the Atlas assurance Coy and Mr. Muhl on account of and for the Company, and fourthly that the question whether Mr. Wagh is entitled to recover his share of the Agency Commission by appropriating for that purpose any portion of the Company's goods in his charge after repayment of the amounts of the promissory notes due to him is by agreement with Mr.Wagh to be submitted for Counsel's opinion, such opinion to be considered final and binding upon both parties who are to bear in equal shares the cost of such reference.

M. SIRUR & Co.
[redacted]
AGENTS.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 14th June 190

Sadashew Shanker Wagh in account with the Mysore Spg & Mfg Co Ld made up to 30th June 1904

Month		Particulars	Amount			Days	Products	Balance
1902								
June	30	By Amount of Pro: notes	61070	-	-			
		do of Int Pre paid	1629	8	5			
		do paid to Mr Mukl	325	-	-			
		do of discount on chqs	1	10	-			
			63026	2	5			
	"	By amount of Interest on Pro notes for Rs 61070/- for 6 months @ 6½ % from their respective dates of issue						1984 12
	"	To Cash remitted to date	57903	7	4			
	3	By Balance due	5122	11	1	31	1,58,782	
July	31	To Cash remitted	600	-	-			
			4522	11	1	31	1,40,182	
Aug	31	To Cash remitted	90	-	-			
			4432	11	1	9	39,888	
Septr	9	To Cash remitted	1800	-	-			
			2632	11	1	21	55,272	
	30	To Cash remitted	700	-	-			
			1932	11	1	9	17,388	
Octr	9	To Cash remitted	514	8	-			
		By Balance carried over	1418	3	1	46	65,228	
Novr	24		Carried over				476,740	1984 12

L. SIPUR & Co.
[illegible] & Co.,
Agts.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, _____ 190

1902		By Balance Brought over	1418	3	1		4,76,740	1984	12
Novr	24	To Cash remitted	500	.	.				
			918	3	1	37	33,966		
Decbr	31	To Cash remitted	96	12	.				
			821	7	1	59	48,439		
1903 Febry	28	To Cash value of Cy: lackhs	345	1	6				
			476	5	7				
	11	By monthly allowance	910	.	.				
	"	By Balance due	1386	5	7	365	5,05,890		
1904 Febry	29	To Cash remitted	513	10	.				
			× 872	11	7				
		By monthly allowance	× 780	.	.				
		" Clerk's pay for 28 months	840	.	.				
		" Amount paid to Tourjee	× 486	.					
		By Balance due						2541	1
		By Interest @ 6½ % on	interest Products				10,65,035	189	10
	29	By Balance due					Rs	4715	8
March	1	By Balance brought down						4715	8
June	30	By Interest on Rs 1700/ for 4 months					36-13-4		
	"	on Rs 1984/ for 2 years					257-14-9	294	12
	.	By monthly allowance & clerks pay to date						380	.
	.	By Balance due to date						5390	4
							E & O. E.		

Urgent

No. 4654

Office of the Comptroller,
Mysore Government,
Bangalore, Dated 22nd February 1905.

From

Rai M. G. Basu Bahadur, M.A.,
Comptroller of Mysore,
B a n g a l o r e.

To

Messrs M. Sirur & Co.,
Agents, Mysore Spinning & Weaving Mill.
Bangalore

Gentlemen,

You are aware that the Board of Directors, Bombay have passed a resolution for the payment to Mr. S. S. Wagh of Rupees 5,390-4-8 in order to get back the goods that are now in his possession.

I have the honour to enquire whether you will get back the goods worth about Rs.21,000/- from Mr. Wagh immediately after the payment of the above amount.

I find from your monthly Cash accounts that certain payments have been made by you on account of Mr. S. S. Wagh's stores I request that you will explain the nature of these transactions and say whether any deduction is to be made from the amount proposed to be paid by the Directors on account of these payments.

The favour of an early reply is requested.

I have the honor to be,
Gentlemen,
Your most obedient servant,

M G Basu
Comptroller.

See C to Bo
26/2/05

No. 5630

Office of the Comptroller,

Mysore Government,

Bangalore, Dated 27th March 1905.

From

Rai B. G. Basu Bahadur, M.A.,

Comptroller of Mysore,

B a n g a l o r e.

To

Messrs. N. Sirur & Co.,

Agents, Mysore Spinning & Weaving Mill,

B a n g a l o r e.

Gentlemen,

With reference to your letter of the 23rd February '05 in which you state that Mr. Wagh may claim in addition to Rupees 5,390-4-8 which the Board of Directors have resolved to pay him, further sums on account of interest, clerk's pay & special allowances provided for in the agreement, I have the honour under instructions from the Government of Mysore to request that the Directors may be moved to settle the whole claim of Mr. Wagh once for all as it is undesirable to pay him any money when he can retain the goods pending the settlement of his other claims.

I have the honor to be,

Gentlemen,

Your most obedient servant,

Comptroller.

No.7.

Certified that the Mysore Government Stamp duty of eight annas only has been levied on this document the amount tendered by Messrs N. Sirur & Co the Agents of the Mysore Spinning & Manufacturing Company.

Sd/- D. Devaraja Urs.
Deputy Commissioner,
Bangalore District.

Bangalore
7th November 1904.

ARTICLES OF AGREEMENT made this FIFTEENTH day of OCTOBER one thousand nine hundred and four BETWEEN THE MYSORE SPINNING AND MANUFACTURING COMPANY LIMITED a Joint Stock Company incorporated under the Indian Companies Act 1882 having its registered office at Henshaw's Building Bank street and its Mill premises at Bangalore in the territories of H.H. the Maharaja of Mysore hereinafter called the Company in which expression shall be included unless repugnant to the context or meaning their successors and assigns of the one part and THE GOVERNMENT OF HIS HIGH-NESS THE MAHARAJA OF MYSORE hereinafter called the Government in which expression shall be included unless repugnant to the context or meaning, their successors and assigns of the other part WHEREAS by an Indenture of mortgage dated the 22nd day of October 1888 and expressed to be made between the Maharaja of Mysore Spinning and Manu-facturing Company Limited of the one part and the Government of the other part the hereditaments and premises therein-in expressed as the immoveable and moveable properties mill machinery stock and effects of the said Maharaja of

Mysore Spinning and Manufacturing Company Limited described in the schedule thereto together with the buildings machinery and mill gear thereafter erected constructed and supplied and the said mill premises were mortgaged by the said Maharaja of Mysore Spinning and Manufacturing Company Limited to the Government to secure repayment of the sum of Rupees two lacs with interest thereon at the rate of six per cent per annum payable in the manner therein mentioned AND WHEREAS by an Indenture of Further charge dated the 24th day of January 1890 and expressed to be made between the said Maharaja of Mysore Spinning and Manufacturing Company Limited of the one part and the Government of the other part the said hereditements and premises were further charged with the repayment of the sum of Rupees Fifty thousand but and advanced by the Government to the said Maharaja of Mysore Spinning and Manufacturing Company Limited with interest on the said sum at the rate of six per cent per annum AND WHEREAS the said Maharaja of Mysore Spinning and Manufacturing Company Limited was wound up voluntarily in or about the year 1894 and its property business and good will were taken over as a going concern by the said Mysore Spinning and Manufacturing Company Limited subject to all debts liabilities and engagements and interalia subject to the said Indenture of mortgage dated the 22nd day of October 1888 and the said Indenture of Further charg dated the 24th day of ~~October~~ January 1890 AND WHEREAS the rate of interest payable under the said mortgage and Further charge was subsequently reduced to five per cent per annum through the intercession of the Agents of the said Company who also obtained further concessions in the terms of the said Mortgage and Further charge but such

reduction of interest and such concessions were not evidenced by any formal deed or agreement AND WHEREAS there is now due and owing to the Government on the 30th of April 1904 on the security of the said Indentures of Mortgage and Further charge the sum of Rupees one lac fifty six thousand five hundred and eleven, anna one and pies six for principal and Rupees Forty one thousand eight hundred and seventy five and annas nine for interest and further interest from 1st May 1904 up to date of payment AND WHEREAS under and by virtue of one of the concessions aforesaid which authorized the Company to pledge or mortgage its floating stock and to raise moneys on the security thereof the said Compan by an agreement dated the 16th day of February 1898 and expressed to be made between the Agents of the said Company of the first part the said Company of the second part and Sadashiv Shanker Wagh of Bombay Hindu Inhabitant of the third part agreed to borrow from time to time to the extent of Rupees one lac from the said Sadashiv Shanker Wagh and granted to him as a security for the said loan a first lien or charge on the whole of the raw cotton yarn and cloth of the said Company from time to time and for the time being in the godown of the Mill premises at Bangalore AND WHEREAS by a Memorandum of agreement dated the day of August 1901 and made between the said parties as in the said last recited agreement it was declared that the charge created by the said last recited agreement in favour of the said Sadashiv Shanker Wagh extended to all stock whatever of the said Company then at outstations or thereafter to be dispatched to outstations or to places outside Bangalore for sale by the Companys Agents or otherwise for sale in the Companys behalf and also to all proceeds and moneys arising from and then due and payable and thereafter to become due and payable in respect of all sales of the Companys stock

sold and disposed of at Bangalore and elsewhere AND WHEREAS in pursuance of the said agreement and in exercise of the powers reserved to the said Sadashiv Shanker Wagh in this behalf under the said agreement the said Sadashiv Shanker Wagh demanded immediate payment of the amount due to him on 3rd December 1901 and in default of payment began selling the Companys' goods and realizing by the sale proceeds thereof the debt due to him under the said agreement. AND WHEREAS the Company being subsequently unable to pay its debts and liabilities it was in the year 1901 intended to wind up the same voluntarily but the said Agents having again made an appeal at the desire of the shareholders of the said Company to the Government to lend further pecuniary assistance and to save the same from liquidation the Govern--ment were graciously pleased to comply with their request on certain terms which after certain modifications were embodied in a Scheme of arrangement expressed to be made between the said Company their Agents past and present the said Government and the others creditors of the said Company AND WHEREAS the said scheme was approved of by the Govern--ment and at an Extraordinary General Meeting of the share-holders of the said Company held on the 28th of November 1903 it was finally adopted by the Campany as approved of by the Government AND WHEREAS more than three fourths in number and value of the creditors of the said Company have acceeded to the said scheme and no appeal has been preferred against the same by any of the dissenting or silent credi--tors of the said Company AND WHEREAS the said scheme interalia provided that the Company should withdraw the agency from Messrs P. Shrystal and Company as the said firm declined to continue as agents on the proposed reduced terms of remuneration and the members who then or might

thereafter constitute the firm of N. Sirur and Company should be appointed agents in the place of Messrs P.Chrystal and Company on the terms of remuneration mentioned in the said scheme and the said scheme also provided that the Company should procure restoration of its moveable property held by the said Sadashiv Shanker Wagh as a security for the money advanced by him under the said agreement dated the 16th day of February 1898 upon payment by the Government of the debt which might be held to be due to him with interest upto date of payment only and further that the Government should find and provide from time to time all necessary funds for the working of the Company and in respect of such advances should be secured by a mortgage of the stock-in-trade of the Company and be entitled to charg interest at the rate of five per cent per annum on such advances and that the Government should also be put in possession of the Company's Mill and all their property and effects as mortgage in possession and that out of the net profits of the Company every year such sum as the Government might think proper might be set apart as a Depreciation Fund and the balance should be divided between the Government and the other creditors in the proportions of two to one i.e. two thirds of such balance should be paid to Government in reduction of the debt due to them by the Company and the remaining one third to the other creditors in reduction of their claims and on such payments interest should cease to run in respect of the sums paid to Government and the creditors respectively as aforesaid and further that Government should cease to have any control over the management of the Company after the debt due to them and the other creditors should have been fully paid and all rights to which the Government might be entitled should

thereupon cease and determine AND WHEREAS the Company has in pursuance of the said scheme withdrawn, the Agency from the said P. Chrystal and Company and have appointed the persons or person for the time being constituting the firm of N. Sirur and Company their Agents by a special Resolution bearing date the 10th day of March 1901 on the terms of remuneration mentioned in the said scheme AND WHEREAS the said Sadashiv Shanker Wagh has in his hands the Company's goods and stock of the value of about Rupees Twenty thousand over which he claims a charge under his said agreement for the amount which he still alleges to be due to him Viz Rupees Nine thousand five hundred and seventy six and annas fifteen And it is contended by the Company that the whole of his debt has been fully satisfied by the amount already realized by him from the sale of the Company's goods but such contention is without prejudice to the undertaking by the Government to advance to the Company the moneys necessary to pay to the said Sadashiv Shanker Wagh the amount if any due to him with interest AND WHEREAS the Government have been already put and are in possession of the Mill premises machinery and plant AND WHEREAS the parties to these presents desire to enter into a formal agreement to give due and legal effect to the said scheme NOW THIS AGREEMENT WITNESSETH and it is hereby agreed by and between the parties as follows:-

1. That the herein before recited Indentures of Mortgage and Further charge are still valid effectual and subsisting subject to the concessions granted by Government as aforesaid and to the terms and provisions of the said scheme and of this present agreement and the same Indenture are binding on the Company subject as aforesaid. The Company acknowledge and admit that there is due and owing

by them to Government on the 30th of April 1904 the sum of Rupees one lac fifty six thousand five hundred and eleven, anna one and pies six for principal and Rupees Forty one thousand eight hundred and seventy five and annas nine for interest and further interest from 1st May 1904 upto date of payment under the said two Indentures.

2. That the Government agree to advance all necessary funds from time to time for the working of the Company's Mills and for such purpose they agree to open a current account in the name of the Company in which account the Company shall be credited with all moneys which may be realized from time to time by the sale of its goods or in any otherwise coming into their hands (all such sale proceeds and moneys being from time to time deposited in the Government Treasury) and debited with all moneys provided by the Government for the working of the Company's Mills or spent for or on account of the Company in manner hereinafter mentioned.

3. The Government further agree to advance to the Company any sum which may be required to pay to the said Sadashiv Shanker Wagh the debt if any which may be found due to him with interest upto the date of payment only under his agreement with the Company and on such payment the Company shall procure restoration of the moveable property of the Company claimed by the said Sadashiv Shanker Wagh as a security for the money advanced by him under the said agreement of 12th February 1898 and the Company shall if necessary procure cancellation of the aforesaid agreement.

4. The Company agree with the Government that the Government shall remain in full and uninterrupted possession

of the Mill premises machinery plant engin fixtures build-ings and erections and also of all stock-in-trade articles and effects now lying in and about the said premises if and when the same shall be free from the said Sadashiv Shanker Wagh's alleged claim or which may from time to time hereinafter be in or about the said premises AND the Company agree to assign the said stock-in-trade and effects and also all other stock and effects which may hereafter from time to time be outside the said premises at Bangalore or at outstations and outstandings to the Government.

5. The Government shall be entitled to appoint a Director on the Board of the Company who shall act as and be called the Managing Director and all transactions of the Company shall be conducted under the authority of such Managing Director who shall remain at Bangalore and shall be entitled to be absent from the Meetings of the Board in Bombay.

6. The Government shall also have the option of appointing another Director on the Board to attend the Meet-ings of the Board in Bombay and shall also have the right of nominating one Auditor every year for the purpose of auditing the accounts of the Company the other auditor being appointed by the Company.

7. The management of the Company shall be in the hands of its Agents Messrs. N. Sirur and Company on the terms of their appointment and they shall act under the orders of the Board of Directors conjointly with the said Managing Directors and shall in all respects carry out the wishes of the said Managing Director and in case of difference of opinion between the Managing Director and the other Directors the latter may submit the matter for orders of Government but until Government shall pass orders on such

reference the opinion of the Managing Director shall be acted upon.

8. The Government shall not sell or cause to be sold through the intervention of the court or otherwise the premises Mill Machinery plant stock in trade goods articles and effects of the said Company except at the time nd on the happening of the events hereinafter mentioned in clause 9 hereof.

9. In the event of the Company carrying on business at a loss in any one year and of its being unable to make any payment on account of interest due to its creditors and to Government it shall be lawful for Government to withdraw the working capital advanced by them from the realization of the entire stock-in-trade and outstandings of the Company and in such cases it shall be lawful for the creditors of the Company assembled at a meeting to pass a resolution by a majority of votes to be ascertained according to the value of their respective claims to wind up the Company and in such case the Government shall be entitled to retain in their possession all the property and effects of the Company both moveable and immoveable as a security for payment in the first instance of all moneys due to them.

10. The Government shall charge interest on the principal amount due to them under the said Indentures of Mortgage and Further charge as also on all daily balance of money due to them for further advances on the security of the stock-in-trade as aforesaid at the rate of five per cent per annum only.

11. Out of the net profits of the Company every year such sum as the Government in their discretion may think proper may be set apart as a Depreciation Fund and two thirds of the balance shall be paid to Government in reduction

of their claim and on such payment interest shall cease to run in respect of the sum so paid Provided however that the said Depreciation Fund shall from time to time be utilized for the purpose of buying new spindles or looms or making such improvements in the Machinery plant or property of the Company's Mills as may be necessary.

12. The Company shall have no power to pass any extra-ordinary resolution to wind up the Company or to Mortgage charge or alienate any of its property to any body without in the first instance obtaining sanction of the Government and the other creditors of the Company at a Meeting to be called for that purpose.

13. The Government shall cease to have any control and the management of the Company after the debt due to them and the other creditors shall have been paid in full with interest and all rights to which they are entitled under this agreement or under the said scheme of arrangeme or otherwise shall thereupon cease and determine.

14. The Company hereby lastly agree to execute and do all such deeds and acts as may reasonably be required by the Government for the purpose of giving further and better effect to the provisions of the said Scheme with respect to the mortgage of the Company's stock-in-trade and out-standings or otherwise as they the Government may think fit. IN WITNESS WHEREOF the parties to these presents have hereunto set their respective hands and seals the day and year first above written sealed with the common seal of the said Mysore Spinning & Manufacturing Company Limited and signed by Shamaraw Vithal & S.S. Setlur two of the

Directors of the said Company in the presence of

Sd/- V.J. Rodriquez.

Sd/- Eknath R. Khote.

Seal

Mysore Spinning & Manufacturing Company Limited.

Sd/- Shamaraw Vithal.

Sd/- S.S. Setlur.

Sd/- N. Sirur & Co.
Agents
Directors

&&/&&

Signed on behalf of Government of H.H. the Maharaja of Mysore by ..... Sd/- P.N. Krishna Murti.
Dewan of Mysore.

In the presence of

(1) Sd/- B.K. Venkata Varada Iyengar, Secretary to Mysore Government.

(2) Sd/- K.S. Chandrasekhara Iyer, Deputy Secretary to Mysore Government.

Presented on the 7th November 1904 at 9.5 A.M. in the office of the District Registrar Bangalore by the undersigned under a special power of attorney produced 7th Novem-ber 1904 and attested by D. Devaraj Urs Esq District Registrar Bangalore authorizing the undersigned to present and admit the execution on behalf of Sir P.N. Krishna Murti K.C.I.E Dewan of Mysore.

Sd/- M.N. Krishna Rao.

The undersigned admits the execution of his document on behalf of Sir P.N. Krishna Murti K.C.I.E Dewan of Mysore under the power aforesaid.

Sd/- M.N. Krishna Rao.

The undersigned admit the execution of this document for himself and others under special powers of attorney produced dated 1st November 1904 and attested by G.S Rao, Justice of Peace of Bombay and dated 2nd November 1904 and attested by R Sreenivasa Row Sub Registrar of Bangalore authorizing the undersigned to admit execution on behalf of Messrs Shama Row Vithal and S.S. Setlur Directors of the Mysore Spinning Manufacturing Company Limited.

Sd/- Dattatraya N. Sirur

Sd/- N. Sirur & Co
Agents

The identity of the executant Mr. Dattatraya N. Sirur N. Sirur & Co Agents and Representative Mr.M.N. Krishna Rao Assistant Secretary to Government of Mysore is well known to the. undersigned

Sd/- D. Devaraja Urs.

7th November 1904.

District Registrar.

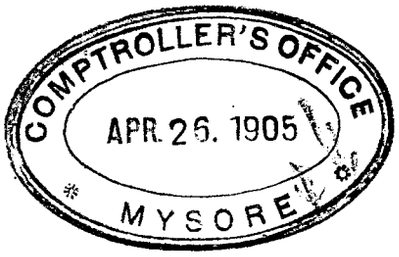
Registered as document No.7 of 1904-05 Book I Vol.25 from pages 212 to 239. Fees received Rupees Fourteen only.

Sd/- K. Krishna Iyer.

14th November 1904.

For District Registrar.

Ref 38



THE MYSORE SPINNING & MANUFACTURING ~~Co. Ltd.~~

Bombay 24th April 1905.

To

The Comptroller,
to the Government of H. H. the Maharaja of Mysore,
BANGALORE.

Sir,

In compliance with your telegram reading " your letter 19 Wagh's stores send copy Company's agreement with Wagh sharp " we have the honor to send by today's post a copy of the said agreement.

We have the honor to be,
Sir,
Your most obedient servants,

N. Sirur & Co

AGENTS.

General Stamp Rs

This Indenture made the sixteenth day of February one thousand eight hundred and ninety eight Between John Smith Chrystal Esquire and Helen Blair Macdougal Chrystal both residing in Scotland and James Patrick Chrystal Esquire of Bombay, European Inhabitant and Narayen Annappa Sirur of Hubli Hindu Inhabitant all carrying on business in Partnership under the style and firm of P Chrystal & Co. the Agents of the Mysore Spinning and Manufacturing Company Limited of the first part the said Mysore Spinning and Manufacturing Company Limited hereinafter called "the Company" of the second part and Sudashew Shanker Wad Esquire of Bombay Hindu Inhabitant of the third part Whereas under and by virtue of an agreement dated the fifth day of January one thousand eight hundred and ninety five and made between the Company of the one part and the said John Smith Chrystal the said Helen Blair Macdougal Chrystal, Sabso Appaji Telang (since deceased) and the said Narayen Annappa Sirur respectively therein described as carrying on business in partnership under the style and firm of Messrs P Chrystal & Co. of the other part it was mutually agreed (amongst other things) that the persons or person for the time being and for the

the time being forming and constituting the firm of Messrs. P. Chrystal & Co should be the Agents of the Company for the term of twenty five years from the 20th day of February one thousand eight hundred and ninety four and after the expiration of that period until the said firm should resign the said office of Agents to the Company or until the shareholders of the Company should have passed a special resolution removing the said firm from the said office whichever event should first happen And it was therefore further agreed that the Company should pay to the said firm yearly for the services to be performed by the said firm as Agents of the Company remuneration as follows:— viz a commission of one pie per pound on the yearly production of yarn whether any profit was made by the Company or not; a commission of one and a half pie per pound if a profit of four per cent but less than six per cent was made by the Company; a commission of two pies per pound if a profit of six per cent but less than nine per cent was made and a commission of three pies per pound if a profit of nine per cent or more was made And it was thereby further agreed that in case the said firm should be deprived of the office of the Agents of the Company from any reason or cause other than and except those

causes

cases specified in clause fourteen of the
new recited agreement the said firm
should be entitled to receive from the
Company compensation for the loss of such
appointment the same to be calculated
upon the basis following viz If the said
firm should be deprived of the said office
within five years of the date of the said
agreement the said firm should receive
from the Company a sum equal to four times
the average annual commission which
the said firm should have earned during
the period for which they should have acted
as Agents of the Company If the said firm
should be deprived of the said office after
the expiration of five years And before
the expiration of fifteen years from the date
of the said agreement then the said
firm should receive from the Company a
sum equal to three the average annual
commission which the said firm should
have earned during the three years next
preceding the date when the said firm
should have been deprived of the said
office If the said firm should be
deprived of the said office at any time
after the expiration of fifteen years from
the date of the said agreement then
the said firm should receive from the
Company a sum equal to the average
annual commission earned by the
said firm during the three years next

preceding

preceding the date when the said firm
should have been deprived of the said
office And it was thereby further agreed
(amongst other things) that the said firm
as such Agents as aforesaid should
procure for the Company from time to
time whatever money might be required
for the efficient working of the Company's
mill at Bangalore during the period
for which the said firm should be
the Agents of the Company. Provided that
all monies procured or loans raised
for the above purpose should be taken
in the name of the Company and should
if so required by the said Agents
be secured by a first or other lien
or charge upon floating stock of the
Company for the time being And it was
thereby stipulated that the said firm as
such Agents as aforesaid should in
accordance with the Resolutions passed
for winding up the Maharajah of
Mysore Spinning and Manufacturing
Company Limited guarantee to the holders
of the shares of the said Company
of the aggregate nominal value of Rupees
twenty eight thousand seven hundred and
fifty (which last mentioned shares had
been issued by the said Company in exchange
for certain guaranteed shares issued by
the said Maharajah of Mysore Spinning
and Manufacturing Company Limited)

interest

interest on such shares at the rate of twelve per cent per annum for the unexpired period of the guarantee given in respect of the said shares of the said Maharaja of Mysore Spinning and Manufacturing Company Limited **And whereas** since the fifth day of January one thousand eight hundred and ninety five the said Subarao Appaje Telang has died and the said James Patrick Crystal has been admitted a partner in the said firm of Messrs P. Crystal & Co (hereinafter unless otherwise designated called the said firm) **And whereas** by an Indenture bearing date the first day of February one thousand eight hundred and ninety four and expressed to be made between the said Subarao Appaje Telang (deceased) and Narayen Annappa Shirur thereinafter described as two of the partners of the firm of Messrs P Crystal & Co of Bombay of the first part, Shamarao Vithal of the second part Seringapatam Shankanna of the third part and Sethur Biligiri Iyengar of the fourth part, it was witnessed that the said Subarao Appaje Telang, Narayen Annappa Shirur Shamarao Vithal Seringapatam Shamanna and Sethur Biligiri Iyengar did thereby mutually covenant and agree to become and be working partners in the business of the Agents of a new Company to be formed

in

in the city of Bombay under the name of the Empire Spinning and Manufacturing Company Limited (thereby meaning the Company party hereto) and by the fourth Clause of the said Indenture it was provided that the net Commission of the said partnership should belong to the said partners in the following proportions viz:— Messrs P. Chrystal & Co. partners of the first part should have a six sixteenths share the said Shamarao Vithal partner of the second part should have two sixteenths share, the said Seshagiratam Shamanna partner of the third part should have a four sixteenth share and that the said Sethu Bilgiri Iyengar partner of the fourth part should have a four sixteenths share and it was thereby further agreed that in dividing the net Commissions earned as provided for in paragraph four of the said Indenture the twelve and a half per cent thereof given to Mr. James Scott in trust for his two daughters under a Trust Deed intended to be executed the same day should first be deducted **And Whereas** the said firm of Messrs P. Chrystal & Co. has wholly repudiated the said in part recited Indenture of the first day of February one thousand eight hundred and ninety four and refuses to acknowledge the validity thereof or to be bound in any

manner

manner or to any extent by any of the terms and provisions contained in the same **And whereas** the said Seringapatam Shamanna has relinquished all claim or his part to share in the said Agency Commission **And whereas** the said Shamanna Vittal has also relinquished all claims on his part to share in the said Agency Commission **And whereas** at the request of the said from the said Sadashew Shunker Wagh has agreed to advance to the Company for the efficient working of their mill at Bangalore the sum of Rupees one Lac (Rs 100,000) on the manner and upon the terms and conditions hereinafter mentioned **Now this Indenture witnesseth** that in consideration of the payment and advance at the time and in manner hereinafter mentioned by the said Sadashew Shanker Wagh of the sum of Rupees one Lac (Rs 100000) to the Company at the request of the said from **They** the said John Smith Chrystal Stokes Blair macdingal Chrystal, James Patrick Chrystal and Narayen Annappa Siras do and each of them doth subject to the provisos and stipulations hereinafter contained hereby with the concurrence of the Company assign as from the first day of June one thousand eight hundred and ninety six to the said Sadashew Shunker Wagh, his heirs executors administrators

strators and assigns eight annas and eight pies in the Rupee of and in the commission and compensation (after deducting all income tax, or other Government impost if any) which may from and after the said first day of June one thousand eight hundred and ninety six become payable to or be earned by the said firm under or by virtue of the said hereinbefore recited agreement of the fifth day of January one thousand eight hundred and ninety five as Agents of the Company during the remainder of the said period of twenty five years but subject to the conditions and stipulations hereinafter contained And all the right title interest benefit claim and demand whatever of them the said John Smith Chrystal Helen Blair Macdougal Chrystal James Patrick Chrystal and Narayen Ramaseha Iyer and each of them and of the said firm of P Chrystal & Co. of in and to the said eight annas and eight pies share of the said net commission and compensation Together with power to the said Sudasheo Shanker Wagh his heirs executors administrators and assigns in the name of the said firm or the partners for the time being constituting the same or otherwise to demand sue for recover and receive and give receipts for the same eight annas and eight pies

share

share or any part thereof to have
and to hold the said eight annas
and eight pies share of and in the said
commission and compensation (subject only
to such deduction as aforesaid) hereby assigned
or expressed or intended so to be unto the
said Sudasheo Sheuker Wagh his
heirs executors administrators and assigns
for his own proper use and benefit absolutely
Provided always that if at any time
hereafter the said Sethur Bilgee Iyengar
party to the hereinbefore in part recited Indenture
of the first day of February one thousand
eight hundred and ninety four shall be
held by the final decree or order of any
competent Court of Justice of first instance
or of appeal to be entitled to recover
or receive the four sixteenths share
purported to be reserved to him by the
said Indenture of and in the commissions
to be earned by the said firm as agents
of the said Company under the said hereinbefore recited agreement of the fifth day
of January one thousand eight hundred
and ninety five then and in such case
and in order to meet the claim of the
said Sethur Bilgee Iyengar the eight
annas and eight pies share of such
commission (subject only to such deduction)
hereby assigned by the said firm to the
said Sudasheo Sheuker Wagh shall
be reduced by two annas and eight pies

and

and the seven annas and four pies share of the said firm shall be reduced by one anna and four pies. Provided nevertheless that the said Sudasheo Shenker Wagh shall not be in any way liable for any of the costs of the litigation with the said Settur Biligiri Iyengar or the daughter or daughters of the said James Scott To the end and intent that if the said Settur Biligiri Iyengar shall establish his claim in manner aforesaid then the share in the said Commission of the said Sudasheo Shenker Wagh shall be a six annas share and the share of the said firm shall also be a six annas share And it is hereby agreed and declared that if the said James Scott shall be held by the final decree or order of any such Court as aforesaid entitled under the hereinbefore part in part recited Indenture of the first day of February one thousand eight hundred and ninety four whether in his own right or in right of his daughters therein mentioned to recover and receive twelve and a half per cent or any other percentage of the said Commission then such percentage shall be deducted therefrom before any division be made thereof And it is also agreed and declared that any and every payment sum or sums of money which may at any time hereafter have to be made or paid by the said firm

under

under the aforesaid guarantee contained in the hereinbefore in part recited agreement of the fifth day of January one thousand eight hundred and ninety five shall be made paid and deducted out of the said commission before any division be made thereof **Provided** further that the right of the said Sudasheo Shanker Wagh his executors, administrators and assigns to receive the said share of the said commission and compensation shall cease at the expiration of twenty five years from the twentieth day of February one thousand eight hundred and ninety four or if before the expiration of that period the said firm shall cease to be Agents of the Company then (as to his share in the said commission) so soon as the said firm shall cease to be the Agents of the said Company **And this Indenture further witnesseth** and it is hereby mutually agreed by and between the parties hereto as follows viz.—

The said advance of Rupees one lac by the said Sudasheo Shanker Wagh shall be considered as a fixed deposit with the said Company and shall not be withdrawn or repaid save at the option of the Company at the times and in manner hereinafter mentioned during the remainder of the said term of twenty five years commencing from the twentieth day of

of February one thousand eight hundred and ninety four unless in the meantime the firm of Messrs P. Chrystal & Co shall cease to be the Agents of the said Company or unless the said loan becomes payable under the provisions of Clause seven hereof and upon the happening of either of the events aforesaid the loan shall at the option of the said Sudasheo Shanker Wagh become payable on demand and he shall be entitled to demand and enforce repayment thereof.

2. The sum of Rupees thirty thousand has already been paid by the said Sadasheo Shanker Wagh to the Company on the second day of June one thousand eight hundred and ninety six on account and as an instalment of the said loan which payment the Company and the said Sirdar do hereby acknowledge and the balance of the said loan shall be paid by the said Sadasheo Shanker Wagh to the Company as follows that is to say the said Sadasheo Shanker Wagh shall pay to the Company the sum of Rupees Forty five thousand further and on account of the said loan on or before the thirty first day of December one thousand eight hundred and ninety six and the balance of the said loan being the sum of Rupees twenty five thousand shall be paid by

the

the said Sudasheo Shamba Wagh to the Company on or before the thirty first day of December one thousand eight hundred and ninety seven. The Company shall pay interest to the said Sudasheo Shamba Wagh at the rate of seven per cent per annum on the said first instalment of Rupees Thirty thousand of the said loan from the second day of June one thousand eight hundred and ninety six and on the further instalments of Rupees Forty five thousand and Rupees Twenty five thousand of the said loan from the dates when such instalments shall respectively be paid until the expiration of five years from the first day of June one thousand eight hundred and ninety six and thereafter the Company shall pay to and the said Sudasheo Shamba Wagh shall accept interest on the said loan of one lac at the rate of six and a half per cent per annum until the expiration of ten years from the said first day of June one thousand eight hundred and ninety six and thereafter the Company shall pay to and the said Sudasheo Shamba Wagh shall accept interest on the said loan at the rate of six per cent per annum during the continuance and until repayment by the Company of the said loan The Company shall have the

opti-

option of repaying the said loan to the said Sudasheo Shunker Wagh at the expiration of any one of the respective periods of ten years, fifteen years or twenty years from the date of these presents upon giving to the said Sudasheo Shunker Wagh or sending to or leaving at his last known place of residence six months notice in writing of the intention of the Company to pay off the said loan.

3. The repayment by the said Company of the said sum of Rupees one lac together with the interest thereon shall be secured to the said sum of Rupees one lac together with the interest thereon shall be secured to the said Sudasheo Shunker Wagh by the Promissory Note or Promissory Notes of the Company at six months date renewable every six months. The interest on the said loan shall be payable on the dates on which the said Promissory Notes severally expire

4 As further security for the repayment by the said Company to the said Sudasheo Shunker Wagh of the said sum of Rupees one lac and interest the Company doth hereby grant to the said Sudasheo Shunker Wagh a first lien or charge on the whole of the raw Cotton, Yarn, and Cloth of the said Company from time to time and

for

for the time being in the godowns or mill premises of the said Company at Bangalore Possession of the said stock shall whenever demanded be handed over to the said Sudasheo Shunker Wagh a to his servant or Agent appointed in that behalf and the key of all godowns of the said Company from time to time containing such stock shall be handed to and remain in the custody of the said Sudasheo Shunker Wagh or of his servant or Agent

5 So long as the keys of the said Godowns or any of them shall remain with the said Sudasheo Shunker Wagh his agent or servant the said Sudasheo Shunker Wagh shall be responsible to the Company for all loss or damage occasioned by the neglect or default of the said Sudasheo Shunker Wagh or his servant or agent to the said stock in the godowns But so long as the said keys shall remain in the possession of the Company the said Sudasheo Shunker Wagh shall not be responsible for any loss or injury which shall happen to the said stock in such godowns.

6 Provided nevertheless that the said Sudasheo Shunker Wagh shall at all times allow the said Company their Directors Agents Brokers and

and servants to have free access to the said godowns and the said stock for the purpose of manufacture or of depositing further stock in such godowns and for the purpose of removing and despatching stock to stations out of Bangalore to Agents for sale or for the purposes of sale on the spot or for export and that the said Sudasheo Shanker Wagh shall place no obstacle in the way of the removal for the bona fide purposes of sale or export of any such stock and shall not interfere in any way with the working of the mill or the business of the said Company Provided always that the provision of the clause & light hereof shall always be strictly complied with by the Company and provided further that all stock brought or placed into the said godowns either in addition to or in substitution of that at present lying and being thereon shall be deemed to be comprised in the security

7. It is hereby expressly declared and agreed that if at any time before the repayment of the said sum of Rupees one lac and the interest for the same the said Company shall be unable by reason of its liabilities to continue its business or shall go or be placed in liquidation or any creditor of the said

said Company shall attempt to execute any decree obtained against the said Company or by attachment of the said stock or any part thereof then and in any of such cases the said loan shall at the option of the said Sudasheo Shanker Wagh become forthwith due and payable notwithstanding anything to the contrary herein contained and the said Sudasheo Shenkor Wagh his heirs executors and administrators shall become entitled to demand repayment of the said loan with interest and in default of immediate payment he or they shall be entitled to sell and realize all stock which may then be in his or their possession and to apply the net sale proceeds towards payment or reduction of the monies then due to him or them and any deficiency which may arise shall be paid and made good by the Company Provided that any such sale made during the currency of an agreement dated the sixth day of August one thousand eight hundred and ninety four and entered into by the Company with Messrs Ramaswami Brothers shall be effected through the said Messrs Ramaswami Brothers on the terms as to brokerage mentioned in the said agreement

8 It shall be incumbent upon the Company so long as the said

Term

sum of Rupees one lac remains due to the said Sidaskar Shenko Wagh under these presents always to have in their godowns on their mill premises in Bangalore the keys whereof are intended to be given to the said Sidashiv Shenko Wagh stock belonging to the said Company of the value of Rupees one lac fifty twenty five per cent by way of margin and in computing the value of such stock the test of the value of the same shall be the market rate thereof prevailing from time to time Provided always that the Company shall be deemed to have sufficiently complied with the terms of this clause if the value so estimated for the time being of the said stock in the godowns upon the mill premises of the Company together with the proceeds of sale of any stock which shall have been sold by the Company and which proceeds may have been handed to the said Sidashiv Shenko Wagh his executors administrators or assigns shall together amount to the sum of Rupees one lac and twenty five thousand or upwards Provided also that the said Sidashiv Shenko Wagh his executors administrators and assigns shall at any time on demand by the Company or the said firm return to the Company such proceeds of sale

or

or any portion thereof upon the Company placing under his or their control stock of the value of the proceeds of sale so demanded to be returned but nothing herein contained shall operate to deprive the said Sadasheo Shunker Wagh of his right to receive interest on the said sum of Rupees one lac as hereinbefore provided & make the Sadasheo Shunker Wagh liable to pay interest to the said Company on any of the said proceeds of sale.

9 The said Company shall not without the previous consent in writing of the said Sadasheo Shunker Wagh and so long as the said sum of Rupees one lac remains unpaid borrow any money from the firm of Messrs Ramaswami Brothers in pursuance of Clause four of the agreement made by the said Company with the said Messrs Rameswami Brothers and dated the sixth day of August one thousand eight hundred and ninety four

10. The said Company shall keep the whole of their said stock for the time being fully insured against loss or damage by fire in the name of the said Sadasheo Shunker Wagh and shall hand over to the said Sadasheo Shunker Wagh the Policy or Policies of Insurance thereon and in case any loss or damage by fire shall happen to the said stock the said Sadasheo Shunker

Wagh

Wagh his heirs executors or administrators shall receive all monies which may become payable by virtue of any Policy or Policies as aforesaid and he or they shall apply the same in payment of other stock to be purchased by the Company with all convenient speed and the stock so purchased shall be placed in the possession of the said Sudasheo Shanker Wagh and shall be subject to the terms of these presents in the same manner and to the same effect as the stock which shall have been so damaged or destroyed by fire as aforesaid

11. So long as the said loan or any part thereof shall remaining on the security of these presents the said Sudasheo Shanker Wagh or any one of his sons who shall have attained full age shall be and remain a Director of the Company and shall at all reasonable times have free access to all the books and accounts of the said Company and a weekly detailed statement of the said stock shall be prepared by the said Company and sent or delivered to the said Sudasheo Shanker Wagh or to his son who may be a Director of the Company under the signature of the Secretary or some other Officer of the Company

Countersigned

Countersigned by the said firm

12 And it is hereby mutually agreed by and between the Company and the said firm and the said Sudashiv Shunker Wagh that the said Sudashiv Shunker W. or at his option any one of his sons who shall have attained full age shall be elected a Director of the Company with all convenient speed.

13 The words "the Company shall include the successors and assigns of the Company and the words the said firm shall include the present and future members of the firm of Messrs P Chrystal & Co.

14 Until the said loan shall be repaid to the said Sudashiv Shunker Wagh his executors administrators or assigns the Company shall pay to him, his executors administrators or assigns monthly and each and every month, the sum of Rupees sixty five, in respect of travelling other expenses in relation to the said loan secured by these presents

15. Until the said Sethna Bilgrami Syenger and the said James Scott shall have respectively established & shall by final decree of a competent Court or by effluxion of time be respectively debarred from establishing or shall respectively renounce or release his or their claim to a share of the said Commission under the hereinbefore in part recited agreement of the first day of February one thousand

eight hundred and ninety four the amount of their respective shares in the said Commission viz four sixteenth purported to be reserved to him the said Sethu Bilgee Iyengar and the twelve and a half per cent purported to be reserved to the daughters of the said James Scott by the same agreement shall be set apart out of the said Commission in every year by the said firm and shall be invested upon Government or such other securities as the said firm and the said Sudasheo Shunker Wagh shall mutually determine and in the meantime the balance of the said Commission shall be equally divided between the said firm and the said Sudasheo Shunker Wagh shall that is to say the share of each respectively shall be a six annas share as hereinbefore provided.

In witness whereof the said parties hereto have hereunto set their hands and seals the day and year first above written

Signed sealed and delivered by the said John Smith Chrystal, Helen Blair MacDougal Chrystal James Patrick Chrystal in the presence of

Sd Bhavani Vinayek Telang
Clerk P. Chrystal & Co Bombay

Sd John Smith Chrystal by his Constituted Attorney James P. Chrystal.

Sd Helen Blair MacDougal Chrystal by her Constituted Attorney James P. Chrystal

Sd James P. Chrystal.

Sd Mahableshwar J. Sohoni
Clerk P. Chrystal & Co Bombay.

Signed sealed & delivered by the said Managers in the presence of

Sd Venkatrao Venkatrao
Sd P.G. Chandiwarkar
Clerk Messrs P. Chrystal & Co.

Sd S. Managers Commissioners

Sealed with the Common Seal of the said Mysore Spinning and Manufacturing Company Ltd and signed by Shamarao Vithal Director and Ekanath R. Khote Director – two of the Directors of the said Company in the presence of

D. Bhawani Viniyak Telang
Clerk to P. Chrystal Hoy Bombay

Shahableshwar J. Sohoni
Clerk P Chrystal Hoy Bombay

Seal

Sd Shamarao Vithal
Sd Ekanath R. Khote.
Sd P. Chrystal Hoy
Agents.

Signed sealed and delivered by the said Sadashiv Shankar Wagh in the presence of

Sd Sadashiv Shankar Wagh

Sakharam Sanjivan Kantak
Clerk to the Official Assignee High Court
Bombay

Sd Shantaram Mangesh Kalkarney
Clerk to the Official Assignee
Bombay.

Stamp One Rupee

Memorandum of Agreement between and by the parties to the above written Agreement of the sixteenth day of February one thousand eight hundred and ninety eight that in consideration of the above named Sudashew Shunker Wagh having permitted the above named Company to despatch stock out of Bangalore to Agents for sale so that the value of stock in the Company's godowns or their premises at Bangalore was and is reduced below the value stipulated by Clause 8 eight of the said above written Agreement It is hereby agreed and declared between and by the said parties that the lien or charge created and conferred in favor of the said parties ~~that~~ Sudashew Shunker Wagh by and under Clause Four of the above written agreement in respect of the moneys and interest therein mentioned shall extend and is hereby extended to all stock whatsoever of the Company now at outstations or hereafter to be despatched to outstations or to places outside Bangalore for sale by the Company's Agents or otherwise for sale on the Company's behalf And it is hereby also further agreed and declared that the lien or charge as aforesaid shall extend and the same is hereby extended to all the proceeds and moneys arising now and now due and payable and hereafter to become due and payable in respect of such sales of stock at outstations or elsewhere as well as also

also to the proceeds and monies arising from and now due and payable and hereafter to become due and payable in respect of all sales of the Company's stocks sold and disposed of at Bangalore or elsewhere In witness whereof the Common Seal of the said Company has been hereunto affixed and the other parties to these and to the above written agreement have on this twenty fifth day of August one thousand nine hundred and one set their respective hand and seals.

Signed Sealed and delivered by the above named John Smith Chrystal Helen Blair Macdougal Chrystal and James Patrick Chrystal in the presence of
Sd Vithaldas G. Salat witness
Sd Atmaram S. Wagh witness.

Sd John Smith Chrystal by his constituted Attorney James P. Chrystal
Sd Helen Blair Macdougal Chrystal by her Constituted attorney James P. Chrystal
Sd James P. Chrystal

Signed Sealed and delivered by the above named Narayen Annaji Verlin in the presence of
Sd Mangesh Pandit Wagh
Accountant Messrs. Shaw & Co Ltd
Sd Ramrao Manjunath Talgeri
Cashier Shaw & Co. Ltd

Sd S. Narayen Annaji Verlin

Sealed with the Common seal of the said Empire Shipping Co Ltd and signed by Shamarao Vithal & Co Eknath R Kholkar two of the Directors & by James P. Chrystal & Co the Agents of the said Company in the presence of
Sd Jagannath Bhaskar Rege Clerk
James P. Chrystal & Co
Sd N. Shivram Pandit

(Seal)

Sd Shamarao Vithal
Sd Eknath R. Kholkar
Sd P. Chrystal & Co.

Signed Sealed & delivered by the above named Sedashiv Shankar Wagh in the presence of
Sd N. Shivram Pandit
Sd Jagannath Bhaskar Rege
Clerk James P. Chrystal & Co

Sd Sedashiv Shankar Wagh

Read —

Letter from the Agents Mysore Spinning & Manufacturing Company Limited to the Comptroller to the Govt of H.H. the Maharaja of Mysore dated the 19th April 1905 Submitting papers on hearing on the S.S. Wagh's claim with the Company

Observations Under clause 3 of the agreement between the Govt of Mysore and the Company about the working of the Spinning and Weaving Mill, the Govt of H.H. the Maharaja of Mysore agreed to advance to the Company such sums as might be required to procure restoration of certain Shares of the Company which were pledged to Mr S.S. Wagh in the Custody of Mr S.S Wagh as security for money advanced by Mr Wagh to the Company under an agreement dated the 16th February 1898.

The letter from the Agents of the Company dated 19th April 1905 read in the preamble submits the detailed amount of Mr Wagh's claim up to 30th April 1905 as has been by the Directors of the Company. The amount passed is Rs 8826-10-8 made up as follows:

8826-10-8

The admissibility of some of the items in the claim are questionable but the Govt of Mysore are not disinclined to the favourable decision of the Directors of the Company in matters of this kind.

The shares valued at over Rs 20,000 when redeemed at the discretion of the Agents of the Company working the Mill and their value will be in addition to the working capital of the Company which has been advanced by the Govt of Mysore

without taking into account the value of these stores.

On taking into account all the circumstances of the case, and in view especially of the fact that the stores are held as security for the repayment of the loan and interest and the Govt consider that it will be sufficient if they make a special advance for the amount due on account of the loan and interest up to date of payment and that the further claims for monthly allowance, clerks allowance and agency Commission can be met out of the advance for working Capital already authorised by Govt

Order. Government are accordingly pleased to direct that the Company should arrange as soon as possible through their Agents to get back the stores from the S.S Wapi on payment and if necessary, to procure Cancellation of the agreement of 16th February 1898. The date fixed for the payment and the restoration of the stores, and the amount due for payment on such date should be reported to the Comptroller to the Government who will advance the necessary funds and debit the amount included in due on account of loan and interest on the receipt of this Report. The Agents will then debit the amount to Mr Wapi on account of loan and interest as a special advance by Govt in addition to the existing authorised advance for working Capital.

The Comptroller to the Govt is requested to submit a further report when the transaction with Mr Wapi finally closed.

Secretary

The Comptroller
The Chairman
The Agents of the Mysore Spinning + Manufacturing Co

G.R.S. 28]

File No. 1314 84

Serial No. 41

Diary No. of letter replied to 4476

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

( )

, *the* 6 June 1905

Date of issue do

Signed by Mr Satyaraj Chetty

READ.—

Note of the 28th April 1905 from the Comptroller to the Govt of H.H the Maharaja requesting formalities regarding letter dated the 19th April 1905 from the Agent to the Governor forwarding and returning duly executed Engagement regarding the claim of Messrs Wagle & Co mortgaged to them

ORDER THEREON—No.

Order thereon. Rs 8260-]

Under clause 3 of the agreement dated 15-10-1904

over

SUBJECT

between the Govt of Mysore
and the Company about the
working of the Spinning
and Manufacturing Company
the Govt of H H the Maharaja of
Mysore agreed to advance
to the Company such sum
as might be required to
procure restoration of
certain Stores of the Company
which were in the Custody
of the S. S. Wash as security
for the money advanced by
the S. Wash to the Company
under an agreement dated
the 16th February 1898.

2 The letter from the agents
of the Company dated the
19th April 1905 read above
shews that the total amount
of the Wash's claim up to the
30th April 1905 as passed
by the Directors of the
Company. The amount

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

Passed is Rs. 8826-10-8 made up as follows:—

1. Unpaid balance of the original loan of one lakh with interest due on the 29.2.1904 ——— 2137-2-7

2. Monthly allowance to Wagh at Rs 65 a month } 2600-

3. Clerk's allowance of Rs 30 a month including Rs 48-6 paid to him for forty days ——— 1308-6-

4. Interest on the above up to 30th April 1905 } 586-9-7

5. Share of agency commission } 2194-8-6

Total 8826-10-8

The possibility of some of the items in the claim being open to question, but the Secretary does not feel disposed to oppose the unanimous decision of the Directors of the Company in a matter of this kind.

3. The Stores Value at over Rs 20000 which remain will be at the disposal of

the agents of the Company to be used for working the mill and their value will be a substantial addition to the working capital of the Company which has already been advanced by the Govt. without taking into account the value of these stores.

4. In all the circumstances of the case and in view specially of the fact that the stores are held as security for the repayment of the loan and interest only the Govt. Consider that it will sufficiently meet the requirements of the case, if they make a special advance for the amount due on account of the loan and interest only up to date of payment and that the further claims for monthly allowance clerks allowance and agency Commission may fairly be met out of the advance for working Capital already authorised by Govt.

5. Govt. are accordingly

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

pleased to direct that the Company should arrange as soon possible through their agents to get back the stores from the S.S. Wasp on payment and if necessary to procure Cancellation of the agreement of 16th February 1878. The date fixed for the payment and the restoration of the stores and the account requiring payment on such date should be reported to the Comptroller & the Govt who will advance the necessary funds on the receipt of the agents and will treat the account ~~due on account of stores and interest included in the total payment~~ this has ~~to the S.S. Wasp~~ as a Special advance by Govt in addition to the authorised advance for working Capital

6. The Complainant & the Def. is required to submit a further report when the transaction with the Wash is finally closed.

6-6-1905

Secy

5/6/05

Do Ack. replies to Mr Smith re Agent of the Dundee Spinning & Weaving Co Ltd

5/6/05

Typed on 6/6/05
WR